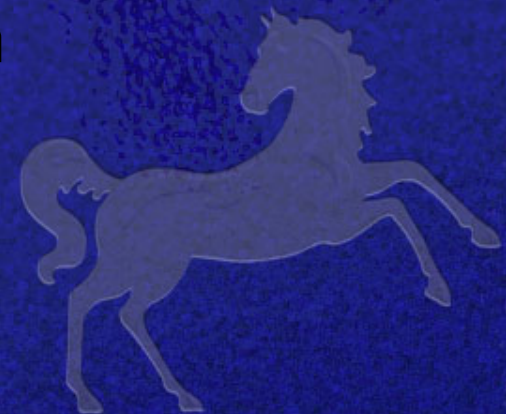

Putting Life into Banking

Goldman Sachs – European Financials Conference

Nathan Moss
Managing Director Marketing & Distribution
Scottish Widows

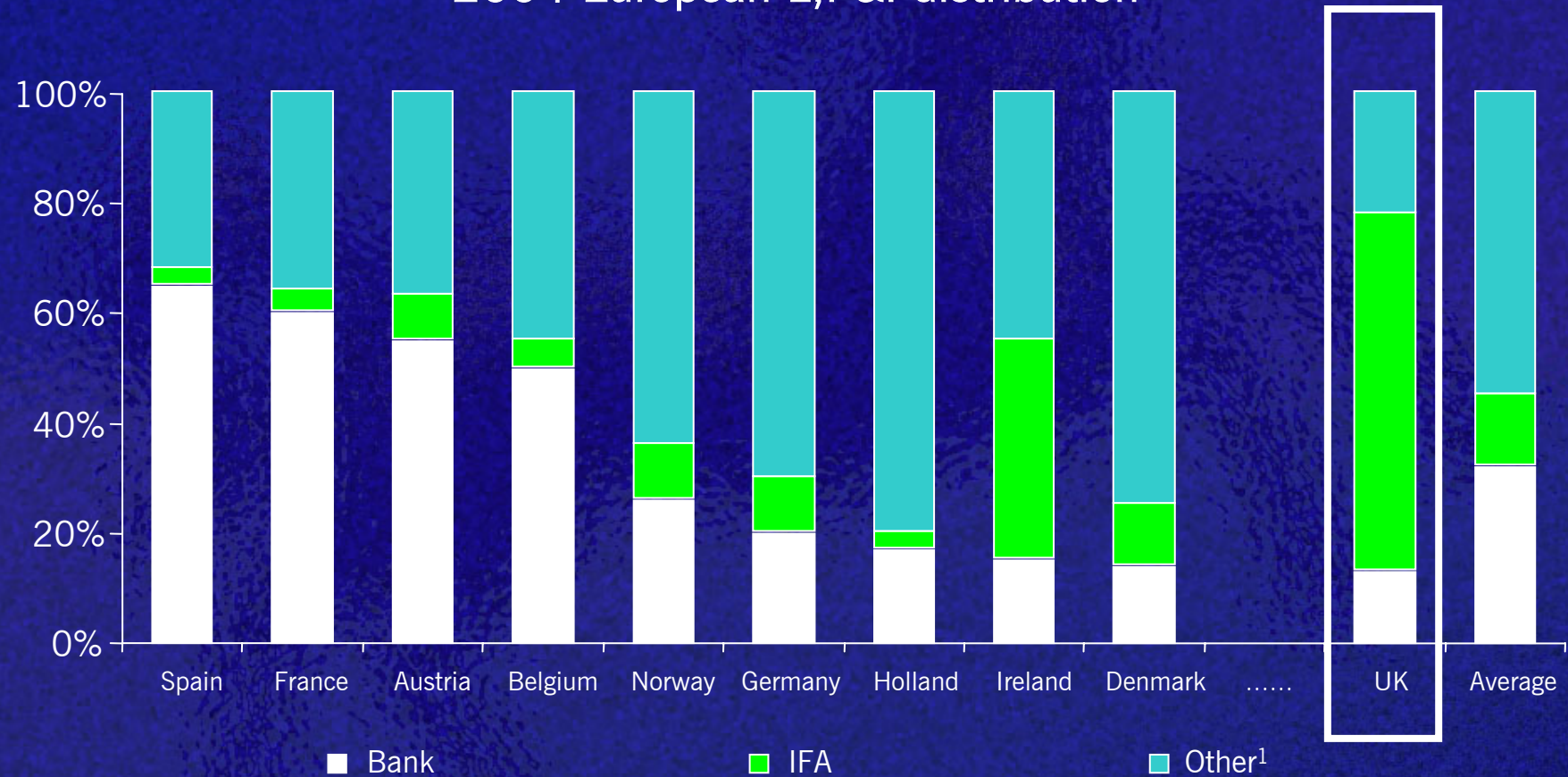
June 8th 2006



Lloyds TSB Group

European LP&I: routes to the customer

2004 European L,P&I distribution

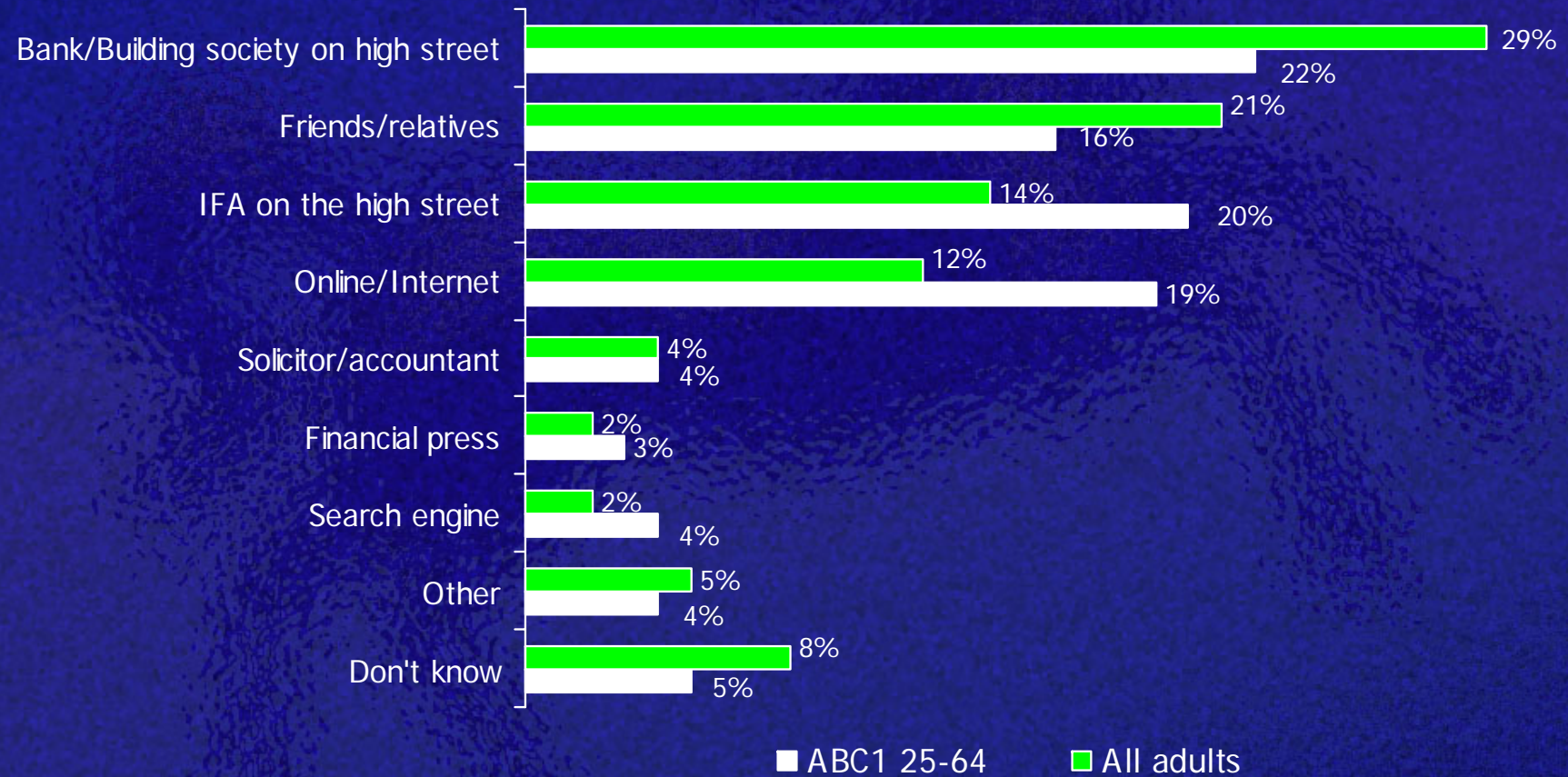


Source: Datamonitor, *European Life and Pensions Distribution*, April 2005

¹ Other includes; Direct, Tied, Broker, Multi-tied

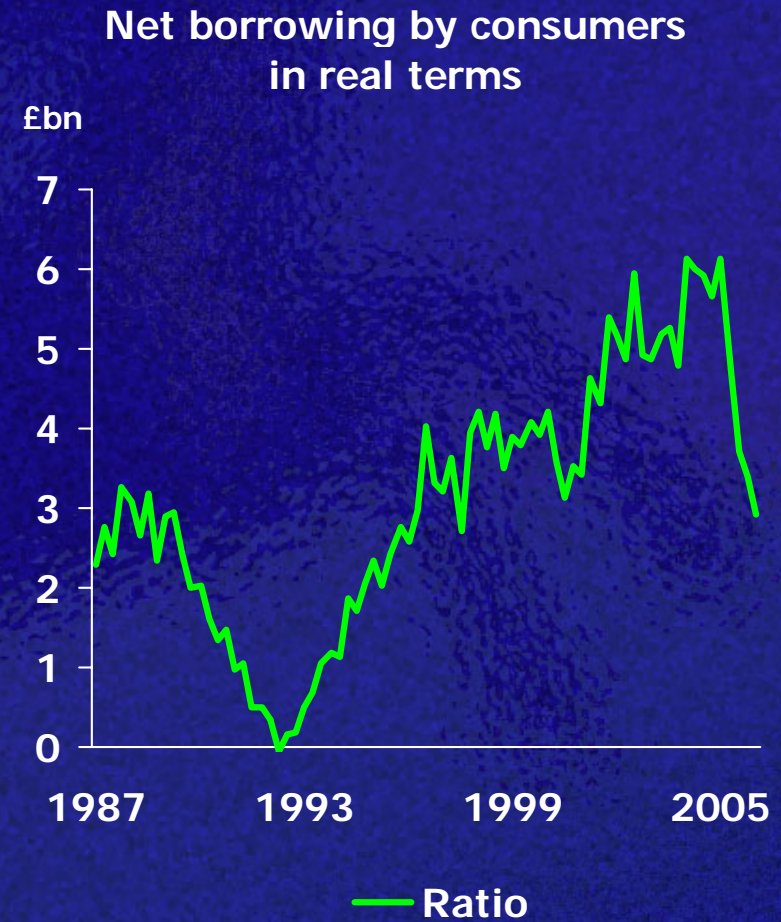
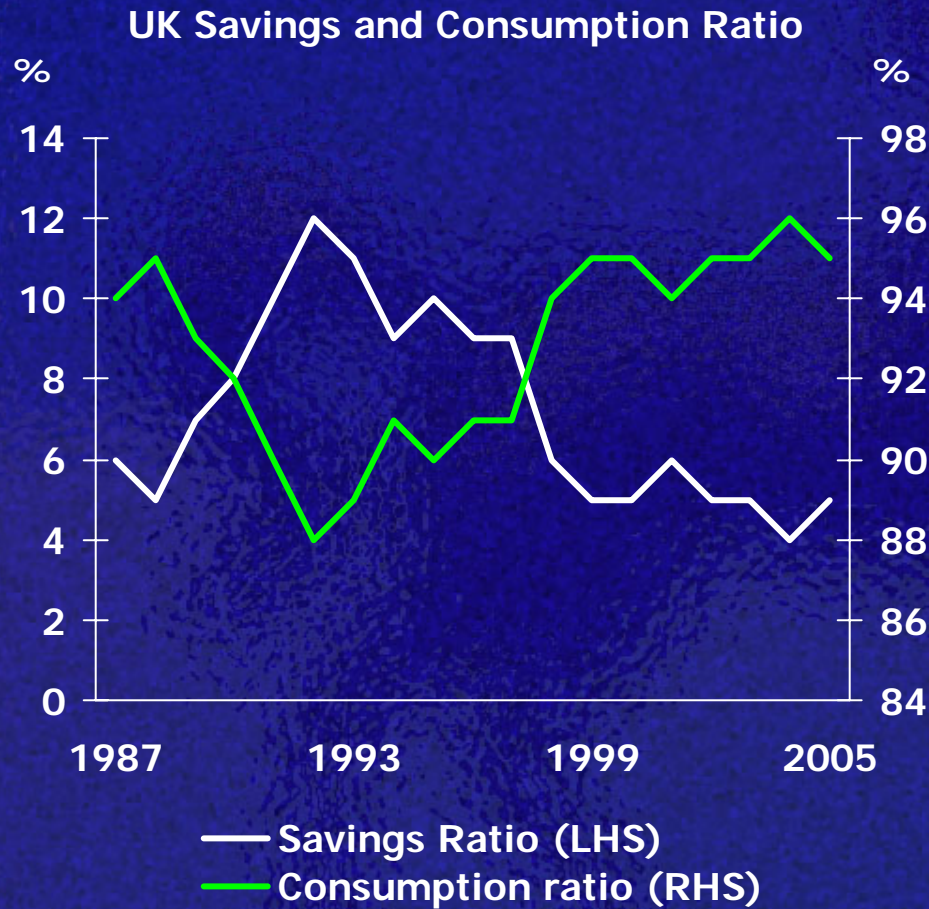
First stop for finding financial advice

"If you wanted to get financial advice tomorrow, where would you look or go to *first* to find out how to get it?"



Source: Ipsos MORI, all adults aged 16+ (2040); all ABC1 aged 25-64 (651)

UK market context: A period of spending & borrowing

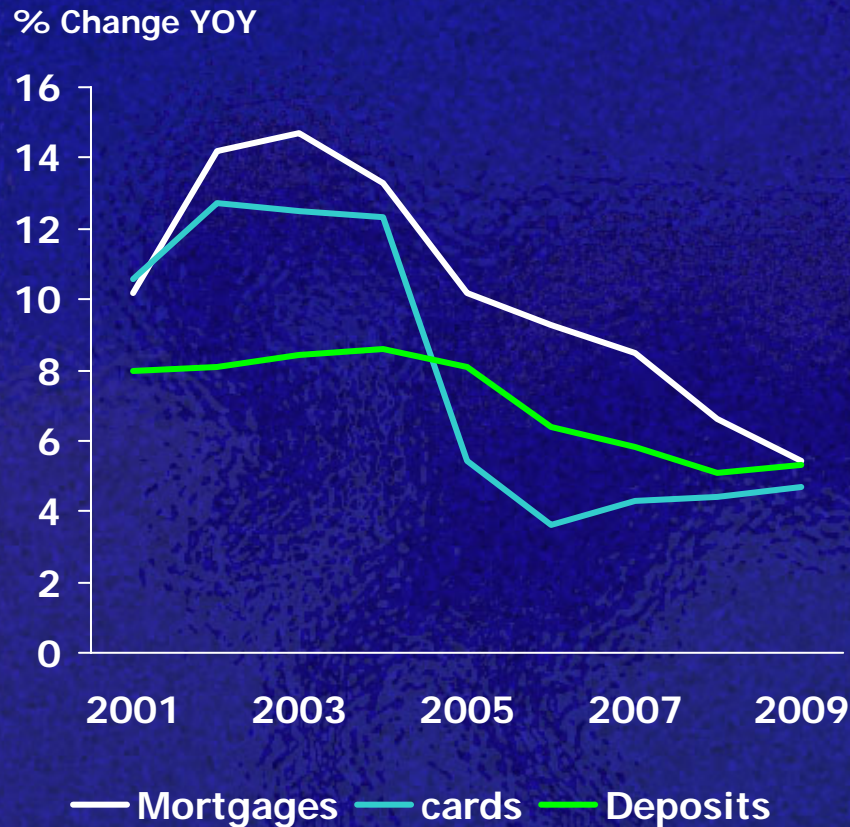


Source: ONS

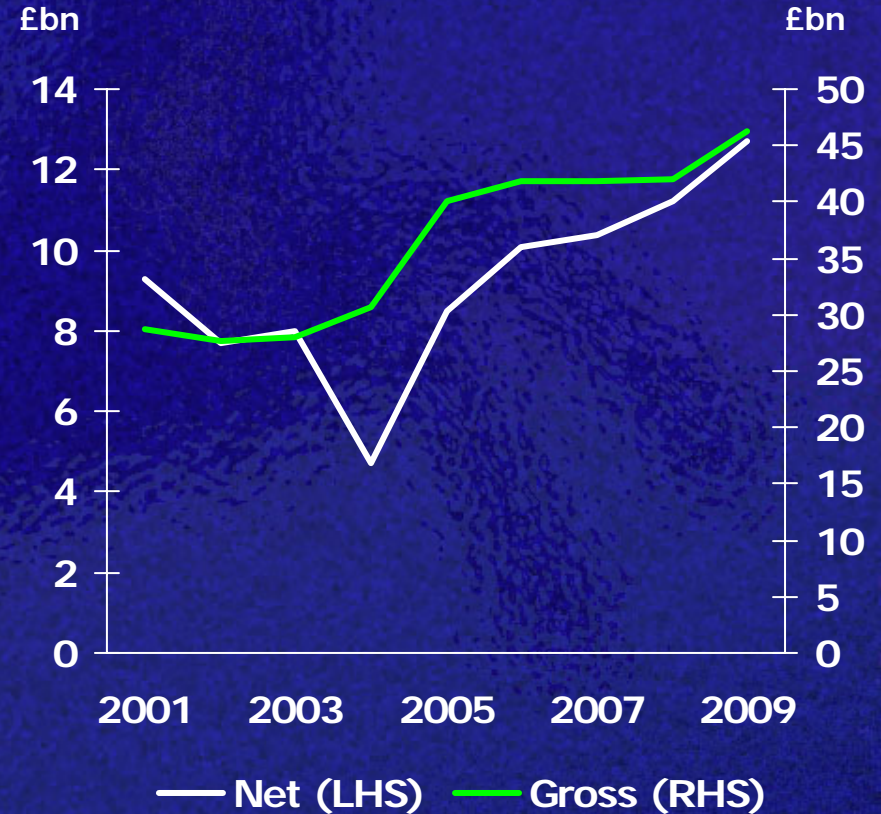
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UK market context: A period of saving lies ahead

Outlook on Deposits, Lending and Cards



Retail investment fund flows forecasts



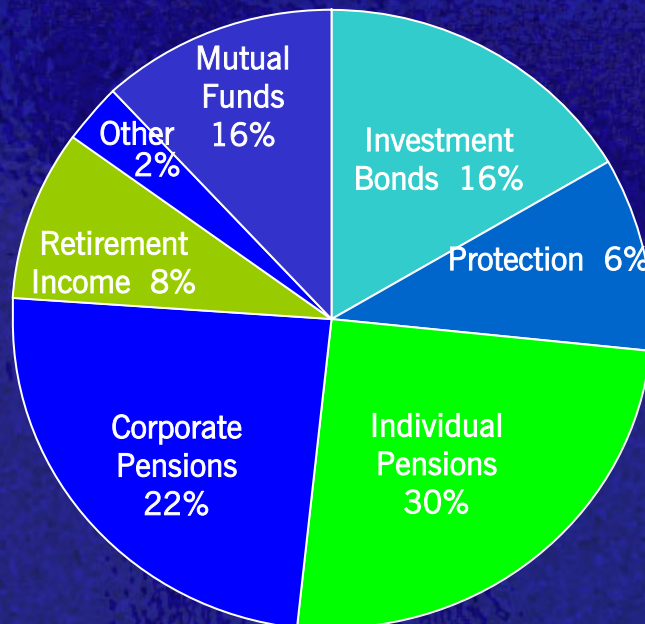
Source: internal analysis

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Balance in products and distribution

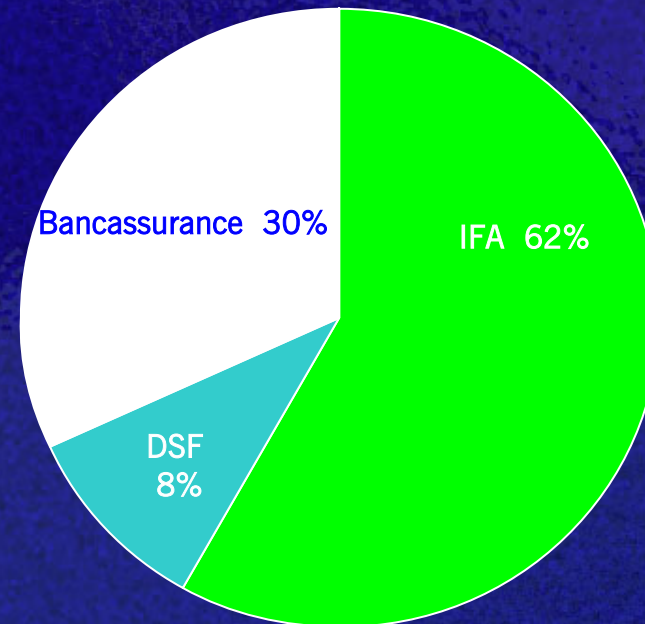
Strong presence in key product markets...

Product – 2005 Sales



...and representation in main distribution channels

Channel – 2005 Sales

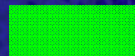


Scottish Widows participation

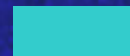
Product and Channel Participation as agreed in 2004

	Corporate Pensions	Individual Pensions	Protection	Ret. Income	S&I MF	S&I Ins
IFA	Core Channel Offer	Core Channel Offer	Non-core Channel Offer	Core Channel Offer	Non-core Channel Offer	Core Channel Offer
B'ssurance	Non-core Channel Offer	Non-core Channel Offer	Core Channel Offer	Non-core Channel Offer	Core Channel Offer	Non-core Channel Offer

Key



Core Channel Offer



Non-core Channel Offer

Progress against strategic goals

4 Strategic Objectives

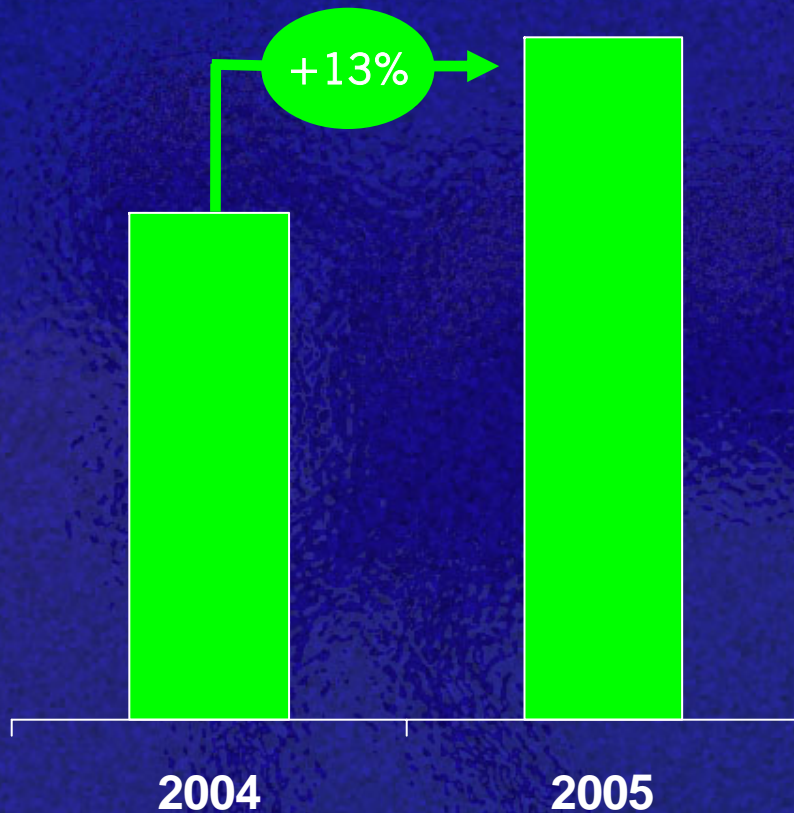
- Deliver Bancassurance Success
- Further profitably grow intermediary distribution
- Deliver enhanced customer service and improved efficiency
- Maintain financial strength, optimise capital efficiency and enhance free cash flow

Scottish Widows - Lloyds TSB franchise model

Customer Proposition	Distribution Model	Product Range
Mass Affluent (full advice)	Financial Planning Managers	SW IFA product range / approach customised (inc.gap filling)
Mass Market Advice	Financial Advisors & mortgage specialists	SW current product set streamlined
Mass Market Non Advice	Bank Relationship Managers (non-advice) Telephony / Internet (remote non-advice)	New "Simple" suite (Regular savers, cash ISA, guaranteed medium term savings) "Simple" Term Assurance

Bancassurance: what have we done

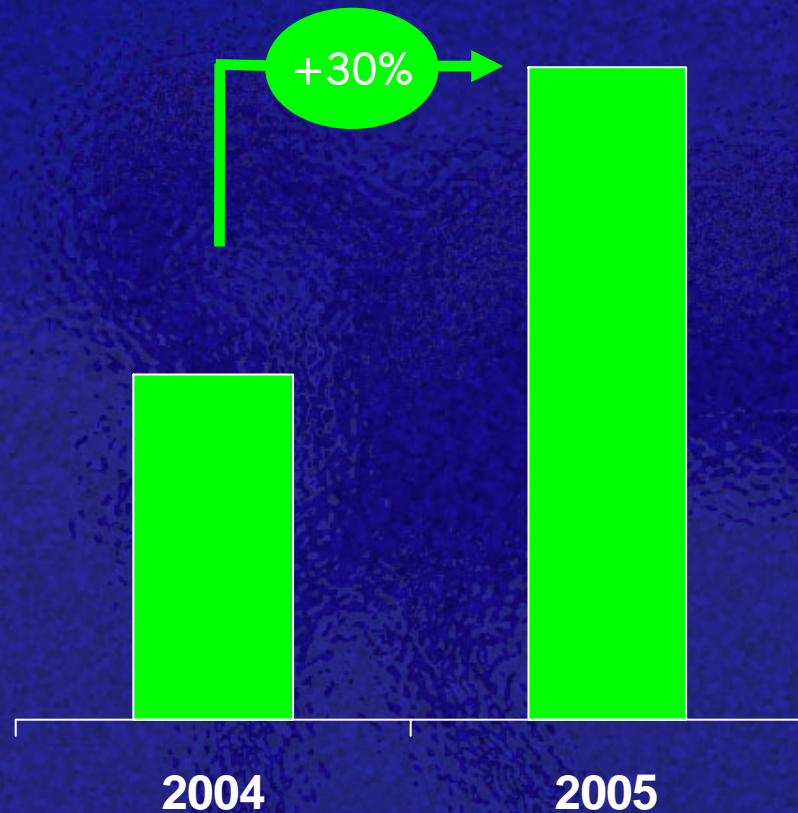
L,P&I Sales Growth %



- Segmenting our customer base by...
- ...delivering simplified product suite for Mass Market...
- ...building advisory capability through a top tier sales force focused on affluent segments

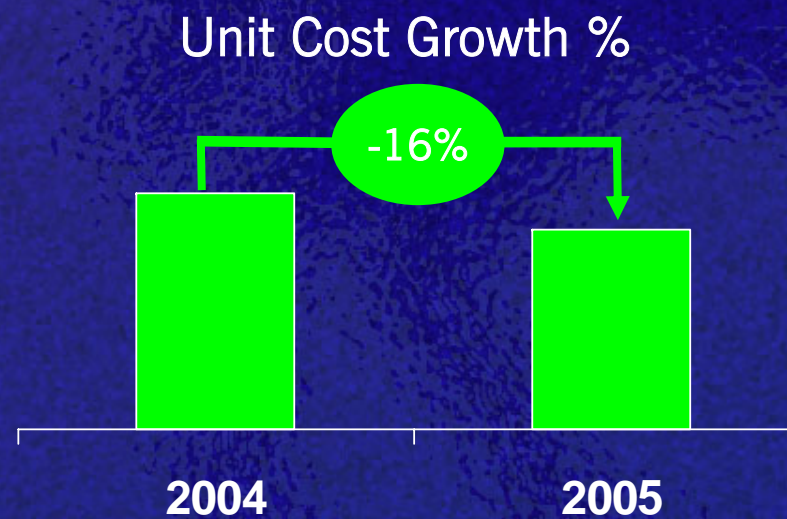
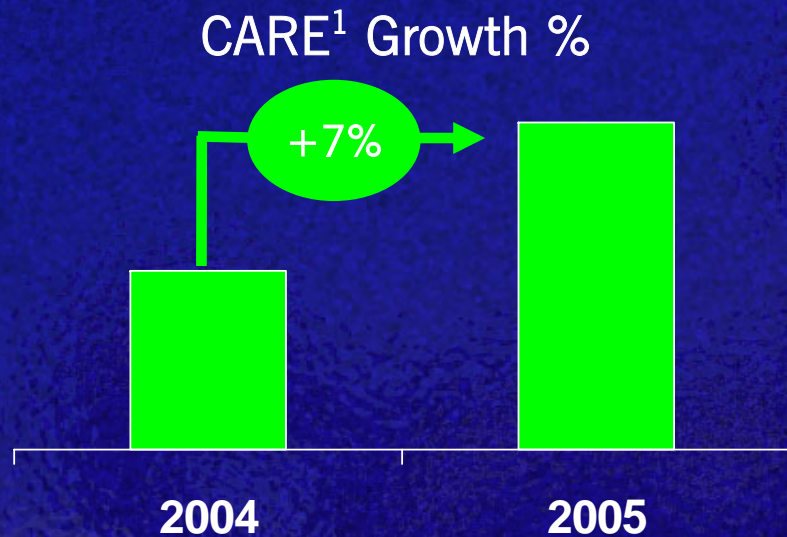
IFA: what have we done

L,P&I Sales Growth %



- Focus on key IFA accounts.....
-not just volume but quality of business
- Redesigned business to improve IRRs
- Focus on profitable growth

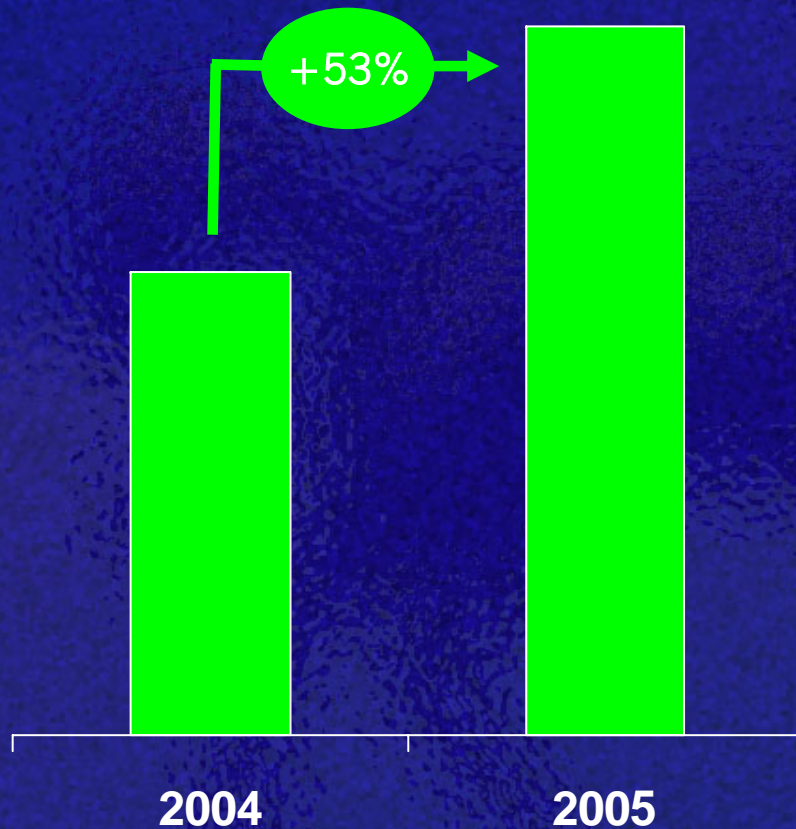
Service & Efficiency: what have we done



- Improved key service measures
- Apply SIGMA measurement to all key processes
- Improved unit cost of policy handling growth

Capital Strength & Efficiency: what have we done

Economic Profit Growth %



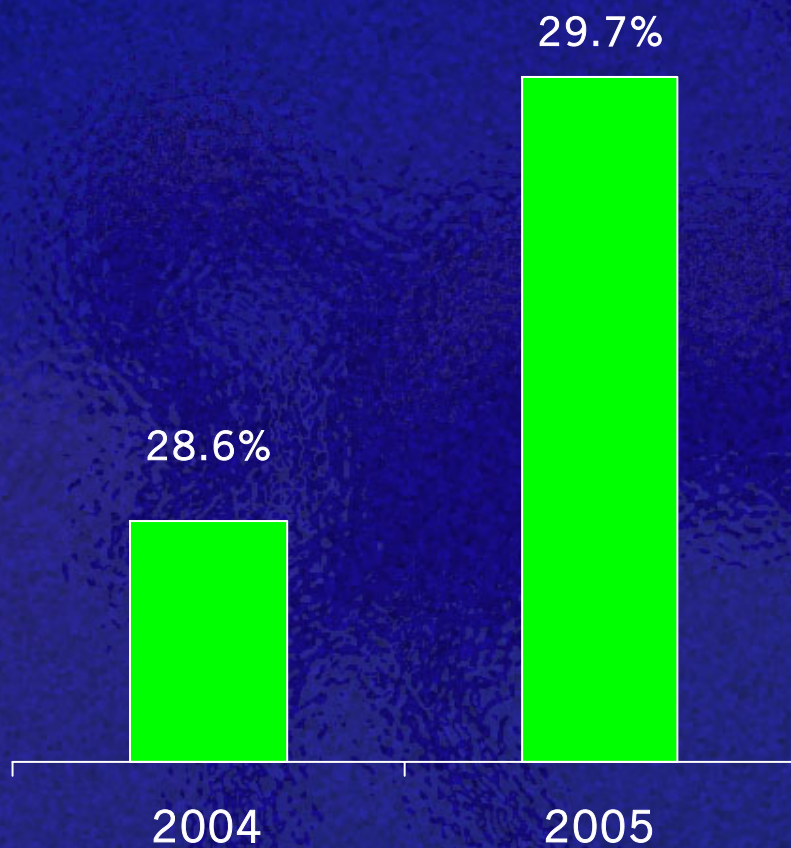
- Focus on EP and improving IRRs
- Restructuring in order to optimise capital requirement
- £1bn dividend to Lloyds TSB Group
- S&P rating: AA-

Source: internal analysis

Lloyds TSB Group

Increased profitability and market share

New Business Margin¹



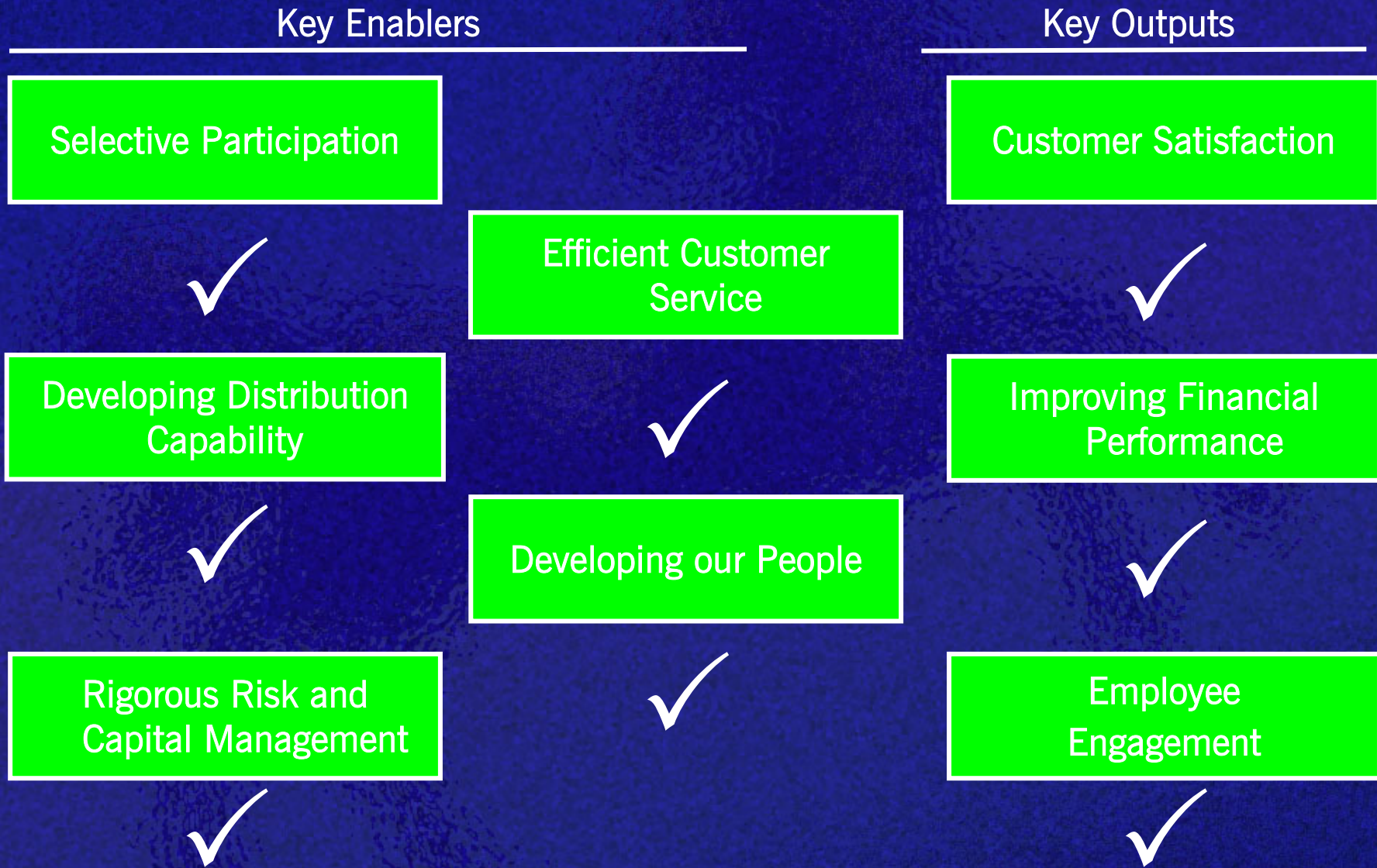
Market Share



Source: internal analysis – 2005 basis
¹ Life and Pensions only

Lloyds TSB Group

Positioned for profitable growth



Lloyds TSB Group

Forward looking statements

This document contains forward looking statements with respect to the business, strategy and plans of the Lloyds TSB Group and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about Lloyds TSB Group's or management's beliefs and expectations, are forward looking statements. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Lloyds TSB Group's actual future results may differ materially from the results expressed or implied in these forward looking statements as a result of a variety of factors, including UK domestic and global economic and business conditions, risks concerning borrower credit quality, market related risks such as interest rate risk and exchange rate risk in its banking businesses and equity risk in its insurance businesses, inherent risks regarding changing demographic developments, catastrophic weather and similar contingencies outside Lloyds TSB Group's control, any adverse experience in inherent operational risks, any unexpected developments in regulation or regulatory actions, changes in customer preferences, competition, industry consolidation, acquisitions and other factors. For more information on these and other factors, please refer to Lloyds TSB Group's Registration Statement on Form 20-F filed with the US Securities and Exchange Commission and to any subsequent reports furnished by Lloyds TSB Group to the US Securities and Exchange Commission or to the London Stock Exchange. The forward looking statements contained in this document are made as of the date hereof, and Lloyds TSB Group undertakes no obligation to update any of its forward looking statements.